

Vertical Integration

There is much talk these days about the National Health Service and it is right to give it serious consideration. It becomes clear, even to a visitor, that the real beneficiary of the NHS is the private sector. This includes all sorts of multi-national companies and private interests of every kind. It seems that the NHS is a consumer of goods and services from the private sector and it is the private sector which calls the tune and names the price.

There will be others who will go into the details of how much money is made out of the NHS by private interests. For now, let us just say that the NHS is a consumer without negotiating power. It has to buy at whatever price is demanded. And the patients are becoming more like customers.

The National Health Service was founded by the 1945-1951 Labour Government to be owned by the public and for the benefit of the public.

But now it dances to the tune of the private sector.

In a world where there is a consensus of opinion that the free market is the only game in town, it is not surprising that this cherished institution should follow this route. It is not surprising that other cherished institutions should also outsource and buy in from the private sector. After all, that is what we all do isn't it? Buy from the private sector. Even the Co-operative has taken this course.

But this was not always the case. The Co-operative Wholesale Society used an interesting term 'Vertical Integration'. From the early days of the Co-operative movement, the co-op took ownership and control of the land which produced food, the factories which processed the food and the shops which sold the food. They took ownership and control of their shipping lines and ships. Likewise, they took control and ownership of the manufacture and production of everything saleable. Banking and insurance and other services were also under their control and ownership.

They were not prepared to be dictated to by private profiteers (they produced a wireless called 'Defiant') in defiance of the private sector.

This meant that they could ensure that the working conditions and standards in their places of work were decent and in keeping with the standards of a co-operative. It meant that the quality of their products were under their control and supervision. They were in control of the terms of their business dealings. And all this in the service of their members, the owners of the co-operative.

Steve Thompson. 23rd October 2014